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## **CURRENT INTELLIGENCE DIGEST**

**Office of Current Intelligence**

**CENTRAL INTELLIGENCE AGENCY**

This digest of significant reports has been prepared primarily for the internal use of the Central Intelligence Agency. It does not represent a complete coverage of all current reports received. Comments represent the immediate views of the Office of Current Intelligence.

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### EASTERN EUROPE

1. Hungarian local government castigated for failure to discipline peasants: Local government officials in Hungary have been castigated by the Communist Party official newspaper for "retreating before the hostile propaganda" of the kulaks that crop surrender obligations cannot be met because of low yields. The officials also are accused of failing to demand the planting of second crops, despite peasant protests of drought conditions.

The US Legation at Budapest mentions the possibility of the reintroduction of rationing should crop failures develop. (R Budapest 52, 18 July 52)

Comment: The Hungarian grain crop was adversely affected by late frosts this spring. This is the first report that excessive dryness may hit the planting of second crops as well.

Recently a Hungarian broadcast, criticizing the local council members for indolence, opportunism and failure to wage the class struggle against the kulaks, charged that kulaks had fulfilled only 17 percent of their crop surrender obligations. Although the harvest is not over, this low figure may indicate the extent of the damage to crops.

2. New deportations from Hungarian cities reported: Fifty Budapest families allegedly have been deported to eastern Hungary by truck. Unconfirmed rumors report new deportations from Miskolc in northeastern Hungary and Szeged on the Yugoslav border. (C Budapest 51, 17 July 52)

Comment: The deportations from Szeged, if confirmed, probably were motivated by reasons of frontier security, combined with a need for billeting for military personnel. The need of housing for workers in the expanding industries of Budapest and Miskolc possibly underlies the deportations from those towns. Moreover, housing always is needed for party faithful.

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3. Rumania's new draft constitution published: Rumanian Premier Gheorghiu-Dej has presented a draft of a new constitution to the masses for "broad, popular discussion." (R [REDACTED], 21 July 52) 25X1A

Comment: The draft contains 10 chapters and 105 articles, outlined in approximately the same order as comparable provisions of the 1936 Stalin Constitution of the USSR. The chief governmental change from the 1948 Rumanian Constitution appears to be the establishment of 18 administrative-territorial divisions, instead of the present 28, and creation of an autonomous Hungarian region in north central Rumania.

The role of the Rumanian Workers' Party is defined in Article 86, which bears a striking resemblance to Article 126 of the Soviet Constitution and apparently sets up the Rumanian Workers' Party as the only official political party in Rumania.

Rumania is still a "People's Democracy," according to the new draft constitution, but that draft is almost an exact replica of a Soviet Socialist Republic's Constitution.

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FAR EAST

4. Vietnamese Cabinet lacks cohesion: The Vietnamese Cabinet is torn by feuds between key ministers and by resentment at Prime Minister Tam's reluctance to delegate responsibility to subordinates, according to a [REDACTED] 25X1C  
Tam allegedly intends to rely on French advisers assigned to the various ministries. [REDACTED] 25X1A

Comment: Since Tam has the strong backing of French officials in Saigon, he should be able during the immediate future to continue in office despite his widespread unpopularity and the maneuvers of his political enemies. It is clear, however, that with a disorganized cabinet he will not be able to conduct a vigorous campaign against the Viet Minh.

5. Burmese reportedly resume intensive military operations: The Burmese War Office has announced that it has completed a redeployment of its troops and is resuming "intensive operations." The War Office believes that the shifts will increase fighting efficiency, morale and discipline, all of which have started to deteriorate in the past month. (S Rangoon 99, 18 July 52)

Comment: The successes of Burmese troops previously have been due to their superior numbers and equipment rather than to their efficiency, morale or discipline.

6. Burma to ask Soviet Union and China for aid: The Burmese Prime Minister in a recent speech stated that Burma would apply to the Soviet Union and Communist China for economic aid. The American Embassy in Rangoon comments that this statement is an answer to pro-Communist charges that Burma is not following a neutral foreign policy and that the Prime Minister, convinced that neither country will render aid on the same free basis as America, is attempting to call their bluff. The Embassy adds that the "rug would be pulled from under" the local Communist insurrection should either the USSR or China give substantial aid to the Burmese Government. (R Rangoon 108, 21 July 52)

Comment: The Burmese Premier has often stated that his country would accept economic aid from any source as long as there were "no strings attached." Although anti-Communist sentiment is reportedly growing among Burmese officials, there

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are still those who would welcome aid from the Soviet Union or China. Neither country, however, has ever given non-Satellite governments assistance comparable to American aid programs.

7. Philippine Senate still delays ratification of Japanese Peace Treaty: Despite the urging of President Quirino, disgruntled members of the Philippine Senate during a special session on 15 July refused to bring the Japanese Peace Treaty out of committee for a vote on its ratification. (C Manila 186, Joint Weeka No 29, 18 July 52)

Comment: Nacionalista Party members, recalling their anti-treaty statements during the last election campaign, fear embarrassing criticism and charges of being American puppets should they ratify the treaty too soon.

SOUTH ASIA

8. Communist-front organizations in Pakistan renounce politics: Two Communist-front organizations, the Pakistan Trade Union Federation and the Pakistan Progressive Writers' Association, have issued statements admitting past errors in policy and stating that henceforth they would confine themselves solely to trade union activities and literary pursuits. (C Karachi Joint Weeka 29, 18 July 52)

Comment: The above statements appeared shortly after the release from jail of all but two of the top Communist leaders in Pakistan and less than a month after the Indian Communist Party allegedly received new policy instructions from abroad.

The statements suggest that the Communist Party of Pakistan is being reorganized and revitalized following the return of its leaders. The withdrawal of front organizations from political activity presumably indicates recognition of an immediate need to increase popular support, which is more easily obtained when there is no police repression.

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WESTERN EUROPE

9. Coalition of Slovene groups in Zone A of Trieste broken:  
The leader of one of the anti-Communist Slovene parties in Zone A of the Free Territory of Trieste, the Slovene Democratic Union, has informed American officials that his group has broken with the coalition of Slovene parties formed prior to the May communal elections. The dispute arose over the election of a mayor for the commune of Duino-Auisina. Both sides have accused the other of violating a pre-election agreement. (S Trieste Weeka 29, 18 July 52)

Comment: Leaders of the anti-Communist Slovene parties joined a popular front coalition with pro-Titoists to oppose the Italian diplomatic offensive last spring for the return of Italian rule to Trieste. Since the communal elections, however, the basis for collaboration between White Slovene and Titoist groups has been weakened.

The fact that the pro-Titoists have allowed a dispute over "spoils" to disrupt the coalition of Slovene parties may indicate a shift in Yugoslav policy in Zone A from the pursuit of popular front tactics to a more limited Communist line.

10. East German plans to uncover nonregistered residents in East Berlin reported: The police presidium of East Berlin is reliably reported to be planning daily house searches in the Soviet sector during the latter part of July and August in an effort to uncover nonregistered persons from West Berlin, West Germany, and foreign countries. The new move, which reportedly requires Soviet approval, is intended to provide justification for tightened security measures through the exposure of nonregistered persons as Western agents. (C CINCEUR Heidelberg S 1589, B-3, 18 July 52)

Comment: Previous propaganda justifications of tighter inter-zonal controls as "defensive" measures as well as the current charges that the West is housing a major espionage system in West Berlin lend plausibility to this report.

11. No counteraction planned if Communists split Berlin elevated system: Allied and German authorities in West Berlin have agreed that no retaliatory action will be taken in the event that East Berlin Communists disrupt West Berlin's elevated rail service. Because the elevated system is a part of the former Reichsbahn,

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now owned by the East Germans, any counteraction would give Soviet authorities a pretext for interfering with West Berlin's rail communications with the Federal Republic.

Mayor Reuter stated, however, that if the East Berliners begin running elevated trains through West Berlin sectors without stopping for passengers, steps should be taken to force them to stop. He also said that the West Berlin government had prepared countermeasures which could be put into operation "on ten minutes notice" if the subway system is tampered with. (S Berlin 138, 21 July 52)

Comment: There have been recurring reports that East Berlin is planning to disrupt the elevated service in the near future. Such a step would probably be taken at a time when most of the trains are located in East Berlin. Meanwhile, the Communists are completing elevated lines which will enable trains to cover the east sector without transiting West Berlin.

#### LATIN AMERICA

12. Communists reportedly penetrating Cuban Ministry of Labor: Andreas Soberon, the Communist president of the Labor Bloc of President Batista's United Action Party (PAU), who is now Director General of Labor in the Cuban Ministry of Labor, has reportedly placed in his office a fanatical Communist, Gilberto Galon, to act as general adviser to the Ministry.

It is also reported that Enrique Oviedo, special inspector of social matters, Jose Fernandez Molina, chief of the Maritime Bureau, and Jose Perez Gonzalez, another labor official, all owe their positions in the Ministry to Soberon. [REDACTED], 25X1A

25X1A [REDACTED]

Comment: Communist infiltration into the labor movement and particularly the Ministry of Labor has been intensified since the 10 March coup. Reportedly the general strategy is to have persons appointed who ostensibly are members of the PAU Labor Bloc who supposedly "withdrew" from the Communist Party some time ago, but who are actually still loyal to the Communist cause. Many of these reputedly enjoy the confidence of Batista himself, who, from all reports, is unaware of their Communist affiliation. The presence of these persons in the government indicates the progress the Communists are making toward their principal objective of regaining control of the labor unions.

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**TOP SECRET SUPPLEMENT**

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NEAR EAST - AFRICA

1. Yugoslavia asks Greece to participate in joint naval exercises: Greek Defense Minister Mavros has informed Ambassador Peurifoy that the Greek Navy has been invited to join Yugoslav naval forces in maneuvers scheduled for late August. The Greek Government is withholding its reply until it can obtain an official American reaction. According to Ambassador Peurifoy, the Greeks are "highly elated" over this Yugoslav overture. (TS Athens 215, 18 July 52)

Comment: Greek officials have in the past exhibited undue optimism over Yugoslav readiness to enter into mutual defense talks, and Marshal Tito has made it abundantly clear that he will sign no formal defense pacts. If Mavros' statement is true, however, this request for joint naval exercises would be concrete evidence of Yugoslavia's willingness to assume an active role in regional defense planning.

WESTERN EUROPE

2. Yugoslav delegation in Trieste protests Italian appointment of De Castro as Political Adviser: The chief of the Yugoslav economic delegation in Trieste told General Winterton that the appointment of De Castro as the Italian Political Adviser showed that Rome does not seriously desire a settlement of the Trieste question. He said that it could only be considered as a most provocative action, since De Castro had engaged in intelligence activities through a local Italian irredentist organization. The Yugoslav official also strongly contended that the London understanding meant the turning over of the administration of Zone A civil affairs to the Italians, and that consequently it made a negotiated settlement on Trieste far more difficult. (S S/S Trieste 79, 21 July 52)

Comment: The Yugoslav delegation in Trieste is the only

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official Yugoslav contact with the Allied Commander in Zone A. It has on numerous occasions protested alleged Allied discriminations against the Slovene minority. Since Yugoslavia does not recognize the validity of the London agreement, no formal note of protest will be sent.

3. West German officials suggest active defense preparations be started now: West German Finance Minister Schaeffer and "Defense Minister" Blank have suggested that barracks be built now for the use of the German troop contingents in the European army. They propose that the barracks be constructed ostensibly for American use, but paid for by the Germans.

Both officials expressed concern that formation of German units might later be delayed for the lack of quarters. (TS Bonn 259, 19 July 52)

Comment: Although the West German Government must facilitate its troop build-up by planning its defense production schedules, any such action as they suggested would probably bring sharp French criticism.

Until the European Defense Treaty is finally ratified, the West German Government will not have the legal right to proceed with overt defense preparations.

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